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dba Tulare Regional Medical Center

8
9 IN THE UNITED STATES BANKRUPTCY COURT
10 EASTERN DISTRICT OF CALIFORNIA
11 FRESNO DIVISION

12 In re

13 TULARE LOCAL HEALTHCARE
DISTRICT, dba TULARE
14 REGIONAL MEDICAL CENTER,

15 Debtor.

16 Tax ID #: 94-6002897
Address: 869 N. Cherry St.
17 Tulare, CA 93274

CASE NO. 17-13797

Chapter 9

DC No.: WW-43

Date: August 23, 2018
Time: 9:30 a.m.
Place: 2500 Tulare Street
Fresno, CA 93721
Courtroom 13
Judge: Honorable René Lastreto II

18 **DECLARATION OF SANFORD HASKINS IN SUPPORT OF MOTION FOR**
19 **SUBSEQUENT EXTENSION OF DEADLINE TO ASSUME OR REJECT**
NONRESIDENTIAL REAL PROPERTY LEASES

20 TO THE HONORABLE UNITED STATES BANKRUPTCY JUDGE:

21 I, Sanford Haskins, hereby declare and represent as follows:

22 1. I am the Chief Administrative Officer ("CAO") of Tulare Local Healthcare
23 District, dba Tulare Regional Medical Center (the "District" or "Debtor"), the Debtor in
24 the above-captioned Chapter 9 case.

25 2. I have personal knowledge of the facts contained herein and if I was called
26 as a witness, I would and could testify as is set out in this Declaration. I am over the
27 age of 18 and I am competent to testify as to the matters contained in this Declaration.

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1 3. As CAO of the District I am personally familiar with the issues to be
2 resolved by this Motion.

3 4. I have personally reviewed the Motion for Subsequent Extension of
4 Deadline to Assume or Reject Nonresidential Real Property Leases ("Motion"), which
5 seeks an order granting an additional extension of the deadline such leases from
6 August 27, 2018 to November 25, 2018 as described with more particularity below.

7 5. I assisted in the preparation of these documents and believe that the facts
8 stated therein are true and correct.

9 6. As stated in the Motion, the District is the Debtor in the above-captioned
10 Chapter 9 case, which was filed on September 30, 2017 ("Petition Date").

11 7. As of the Petition Date the District's assets included the following
12 unexpired leases for nonresidential real property:

13 a. Lease between the District and Heiskell Ranches, LP for 880 E.
14 Merritt, Suites 105-106, Tulare , California ("Family X-Ray Center
15 Lease").

16 b. Lease between the District and Heiskell Ranches, LP for 880 E.
17 Merritt, Suites 107-109, Tulare , California ("Mineral Kings Toxicology
18 Lease").

19 c. Lease between the District and City of Tulare for 325 N. West St.,
20 Tulare, California ("Westside Clinic Lease").

21 (collectively, "Unexpired NRRP Leases"). True and correct copies of the Family X-Ray
22 Center Lease, Mineral Kings Toxicology Lease, and Westside Clinic Lease were
23 attached as exhibits to my prior declaration requesting the initial extension (Dkt. 509;
24 WW-37).

25 8. On July 20, 2018, the District filed its Motion for Authority to Enter into
26 Transaction Including Borrowing Funds, Sales of Personal Property and Providing
27 Security, Assumption and Assignment of Contracts and Leases and for Authority to
28 Lease Real Property. (Dkt. 603, WW-41) ("Motion to Enter Into Transaction").

1 9. The Motion to Enter Into Transaction essentially seeks court approval to
2 enter into a transaction with Adventist Health System/West which would allow it to
3 reopen its general acute care hospital and resume its business operations (the
4 "Transaction").

5 10. The District now requires additional time to evaluate the Unexpired NRRP
6 Leases in light of the Transaction in order to make a determination regarding whether
7 the Unexpired NRRP Leases will be assumed or rejected.

8 11. The Family X-Ray Center Lease and Mineral King Toxicology Lease
9 ("Heiskell Leases") have the same Lessor, Heiskell Ranches, LP ("Heiskell"). The
10 District was current on the Heiskell Leases as of the Petition Date and through
11 December 2017. Thereafter payments were not made for the period of January
12 through April 2018. In May 2018 the District resumed making the monthly payments on
13 these leases. The District is prepared to remain current on these leases throughout the
14 subsequent extension period. The District remains engaged in ongoing discussions
15 with Heiskell regarding payment of post-petition amounts. The Heiskell Leases will
16 expire in February 2019.

17 12. The Westside Clinic Lease is a 25 year lease which will expire in 2036.
18 This lease was paid in full in 2012. Prior to the Petition Date this facility was used to
19 operate a clinic. The District will need time to consider the impact of assumption or
20 rejection of this lease on the pending Transaction.

21 13. In my business judgement, requiring the District to abide by the August 27,
22 2018 deadline to assume or reject these nonresidential real property leases would be
23 detrimental to the District because more time is needed to (a) come to an agreement
24 with Heiskell Ranches, LP regarding payment of the post-petition amounts owed and (b)
25 consider the impact of assumption or rejection of the subject leases on the pending
26 transaction with Adventist Health System/West.

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1 14. I have reached out to Heiskell Ranches am currently working to secure
2 written consent to the District's request for a subsequent extension of the deadline to
3 assume or reject their leases.

4 I declare under penalty of perjury under the laws of the United States of America
5 that the foregoing is true and correct to the best of my information and belief.

6 Executed this 26th day of July, 2018, at Tulare, California.

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8 
9 Sanford Haskins